



Race Track Industry Program

34th ANNUAL SYMPOSIUM ON RACING & GAMING

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Track Surface — Weather, Wax, Wear and Wagering

Moderator:

John Asher, Vice President, Racing Communications, Churchill Downs, Inc.

Speakers:

Javier Barajas, Track Superintendent, Arlington Park

Robert N. Elliston, President and CEO, Turfway Park

Craig Fravel, Executive Vice President, Del Mar Thoroughbred Club; Chairman,
NTRA Board of Directors

Mike Young, Track Superintendent, Keeneland Association

MR. DOUG REED: Good morning everybody. This is going to be the briefest intro I've ever given since we're getting a little late start and I don't want to creep into their time.

We're glad to have you back here. This session is sponsored by Australian Racing, and John Asher is the vice president of communications for Churchill Downs and he's going to lead the way as the moderator, so please give John a welcome.

(Applause)

MR. JOHN ASHER: Thank you, Doug. Wonderful to be here with you, it's been a couple three years since I've been here to the Symposium, it's wonderful to get back here and see old friends and to be up here with this esteemed group.

As we discussed, one of the most popular topics, I can tell you from a racetrack representative standpoint, the racing public, either those who follow the sport on a daily basis and follow every race and every past performance religiously, or just, in Louisville, Kentucky, where we have a lot of long time race fans, dedicated race fans, a lot of people that just love Churchill Downs and the question always is, who's going to win the Derby and what do you think about that

Polytrack? What do you think about those synthetic tracks? Those are the two major topics of conversation among Louisville, Kentucky, horseplayers, and I would suspect among horseplayers in your jurisdictions around the country.

As a representative of Churchill Downs I sit here as a person representing a track that has had pretty much the same racing surface for 133 years now. But sitting next to us, sitting next to me, to my left are some very talented and wonderful individuals who are involved in racing operations that are working on a daily basis with synthetic racetracks. And they are truly, a lab for all of us, a lab for our entire industry as we look to see where the industry goes in terms of racing surface, in terms of the relative safety of the racing surfaces of the care and feeding of the racing surfaces.

So let me introduce the panel, first of all, immediately to my left is Bob Elliston, he is the president and CEO of Turfway Park in northern Kentucky, which has had a Polytrack surface now for, third year now for Bob. And Bob, by the way, will have some first-hand information about weather. It was 24 degrees with a wind chill of 10 last night at Turfway Park and they ran them all.

Immediately to Bob's left is Craig Fravel, he's executive vice president of the Del Mar Thoroughbred Club and chairman of the NTRA board of directors. And of course, Del Mar is coming off its first season with the Polytrack surface.

And further down we've got a couple gentlemen who work with these surfaces on a daily basis and can provide us with some very important information on, again, the care and feeding of these. To the left of Craig is Mike Young. Mike is the track superintendent at Keeneland Association. And of course Keeneland Racecourse in its second year of this Polytrack course.

And then next to him, from the Churchill Downs family and doing double duty this winter is Javier Barajas, and he is the track superintendent at Arlington Park. Not only is he at Arlington, where they just completed their first racing season with Polytrack, he's also doing double duty; he's helping out at the Fair Grounds this year. There will be no days off right now.

So again, we are thrilled to have these gentlemen here. We're going to start off with the people in the top office and talk about their impressions of Polytrack to this point, the synthetic surfaces to this point. We'll start first with Bob, who has the most experience and the most interesting weather conditions of the group that's assembled here. Bob?

MR. BOB ELLISTON: I've got two reasons why I love Polytrack. That's one, his name is Street Sense, and that's two, his name is Hard Spun. That's why I love Polytrack. That's the Kentucky Cup Classic this year. He won the Derby, he ran second, he ran second in the world championships as well. He turned the tables on him on the Kentucky Cup Classic. Our surface enables us to get those kinds of horses and our race fans appreciate that and appreciate that we spent the kind of money that we did to ensure that we get these kinds of horses.

But here's what our experience has been. Again, most of you all know this, I'll be brief. Polytrack was developed by Martin Collins in England, since '87. Its been in racing since '01. The folks at Keeneland brought it to the States, thank you, Nick, I appreciate it very much, in '04, on their training track. And in September '05, we were the first, we were the guinea pigs, we ran our race meet September 7th of '05, and have been ever since, obviously.

A rigorous Polytrack laboratory, John's right, last night it was 24 degrees, two and a half inches of snow with a wind chill of 10 degrees; the jockeys loved the racetrack., the horsemen loved the racetrack and honestly, you couldn't put a surface through a more difficult test. We race five days a week, five months out of the year, 110 days, ballpark, and we train six days a week year-round. That was not the case before on our conventional track. On our conventional track, we had to shut down all summer long, replace the surface and basically lose money all summer long. Now, we actually are able to charge stall rent for that summertime and increase our opportunity to earn money.

That's pretty much what happens in the Ohio Valley, where we are. Right now, 21 degrees is about where it gets every night. And in July '06, precipitation pretty much through the Midwest like that, it rains a lot, it snows a lot and we get a lot of humidity. In '05 and '06, almost a flawless year. We saw our holiday meet in '05, so we had it for the holiday '05 and holiday '06; we had one cancellation because of a winter storm. It wasn't the surface, we couldn't get people or horses to the track to run at that time. One of the absolutely most important byproducts of this surface has been the dramatic reduction of fatal breakdowns that we've encountered. From September '04 to April '05, 24 catastrophic breakdowns. That comparable first year we had three, huge drop.

Averages, what averages? I showed you the averages before. Last winter in February we had three weeks of temperature that never exceeded 25 degrees and every single night it went below zero. In the summertime we had four weeks of temperature north of 95 with humidity of about 85 percent, so we've had every extreme that you could possibly put the surface through.

We've learned from those extremes. In wintertime, temperatures can get too unsafe for the horses and the riders even if the surface can permit it; it's just not safe for them to go out. You just can't put the track down and leave it alone. It does, it is effected by weather. Moisture, temperature, humidity, those are the things that effect it the most.

Here's what it has done in terms of our handle. We look at a year, from our perspective, as fall, holiday and winter. We start in September, basically run a 30-day meet and then go back, just after Churchill closes around Thanksgiving, all the way until April in the spring. We had some things that effected this handle, so I kind of caveat this with trying to make sure that it's just an apples to apples comparison relative to the Polytrack influence, Fair Grounds was down in the '05 fall period because of hurricane Katrina, which we benefited, unfortunately, from that,

John. I wouldn't want to benefit from that ever again. But it has come back online and I think that we're seeing a little softness in our out of state market right now because there's more competition out there.

We've run seven meets on the Polytrack. Four of those seven, we've shown increased all-sources handle. Five of those on-track we've seen increased handle, and they're dramatic. If you look at, that's the last conventional year, we did about \$230 million in total handle, we did \$90 million more in its first year, \$320 million, and that has been sustained. This is \$313 million, which is what has happened since fall of '06 through this spring, I don't have the fall '07. We jump by \$90 million and we sustain that growth, so it has had a dramatic effect on our handle.

This is our on-track number, I think we're one of the few tracks in the country that are exhibiting this kind of growth on track, and I happen to think that it's the surface and the caliber of the horses that's doing it.

Cancellations — in '03, we dropped 15 days, '04 there was 12, '05 there was 11, so those are the three most recent years prior to Polytrack. Post-Polytrack, we lost 10 full or partial cancellations across seven meets, that's 38 in three years, in seven meets we lost just under 10.

Fatal breakdowns, I mentioned that we went from 24 to three in the first full year of operation, and then we spiked a little, back up to 14. Craig and others will probably talk about this but I think one of the reasons why there is a lot of conversation and potentially criticism about these surfaces is we've created an unreasonable expectation about injuries; injuries will occur, they unfortunately will happen. We had one last night at Turfway Park, we had a fatality, not on the racetrack, but a horse flipped over in the paddock and busted its head and had to be euthanized. These horses, I think Alex Waldrop told me earlier, when they're born, they're born to beat themselves up and to get into peril as quickly as they can, it's just in their heart, the way they do things. It's going to happen and we have to have the conversations that we're having and the dialogue that we're having, but we have to have reasonable expectations. And I may be at fault or others may be at fault when we come up here and we talk about these dramatic reductions, but we need to do it through a filter that is reasonable.

Having said that, you know, I'm not going to just give up on zero. No breakdown is acceptable, we have to do everything that we can and fortunately, I think one of the reasons why Polytrack and synthetic is so important as an exercise and as an experiment in our sport is that it's raised the dialogue about the importance of injury, that's why we're having this panel, that's why you're sticking around still on the last day of the Symposium, because you want to hear about these things.

That's been our experience, it's been incredible. What I didn't mention up here is that, oh, by the way, we've seen our maintenance expense drop by 59 percent, over \$270,000 a year that goes to the bottom line because we don't have to do as much to this surface. Last night at Turfway Park, on a conventional

surface, we would have gone 24/7, three shifts of people going on the track constantly. We didn't do that, we were there for racing, then they went home, they came back this morning after training to groom the track again and that's about it. Now, we have to do certain things between racing, dependent upon what the weather is doing, but I can tell you that I am a huge proponent, I couldn't be happier with the surface, I'm glad we've gone through this experiment and I'm glad that we continue to have an opportunity to share our experiences with you.

I would be glad to answer any of your questions when we get to that part of the panel. Thank you very much.**Other terms, concepts and keywords contained in the balance of this transcript are:** Craig Fravel, Del Mar, field size, safety of the animals, ratio of workouts and starts, difference between morning and afternoon, field size, Gallop Master, Javier Barajas, Arlington Park, location geographically, weather, off the turf, equipment, impact on the track, stress-related injuries.....If you desire a full transcript contact bprewitt@ag.arizona.edu

